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FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC IMMEDIATE 9841

UNCLAS BUENOS AIRES 002296

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DEPT FOR WHA/BSC:JSLATTERY  
INL/LP:DGRAHAM

SIPDIS

E.O. 12958: N/A  
TAGS: [SNAR](#) [AR](#)  
SUBJECT: ARGENTINA: 2007 INCSR PART I: DRUGS

REF: SECSTATE 136787

The following is Embassy Buenos Aires input for Part I of the 2007 International Narcotics Control Strategy Report (INCSR).

Begin Text:

Argentina: Draft 2007 INCSR

#### I. Summary:

Argentina is not a producer country but continues to be a transit country for cocaine from Bolivia, Peru, and Colombia, primarily to European destinations. Argentina is also a transit route for Colombian heroin en route to the United States and a source for precursor chemicals because of its advanced chemical production facilities. National drug seizure statistics remain somewhat incomplete but preliminary numbers show increased cocaine seizures the first two quarters of 2007 in comparison to the same period in 2006. Authorities also report an increase in the number of small labs converting cocaine base to cocaine hydrochloride (HCl). Marijuana seizures, which had dropped in 2005, appear to be back up in 2006. Argentina is a party to the 1988 UN Drug Convention.

#### II. Status of Country

Argentina is not a major drug producing country. However, because of its advanced chemical production facilities, it is one of South America's largest producers of precursor chemicals, which are vulnerable to diversion for use in the processing of cocaine and production of other narcotics. Law enforcement authorities believe that the amount of cocaine passing through Argentina continued to increase in 2007. Marijuana remains the most commonly smuggled and consumed drug, with cocaine (HCl) and inhalants ranked second and third, respectively. Narcotics enter Argentina primarily from Bolivia, but also from Paraguay and Brazil. Argentine law enforcement intercepted small amounts of Colombian heroin destined for the United States. Seizures of amphetamine-type stimulants and Ecstasy, principally smuggled from Europe, are increasing. Cocaine HCl seizures increased significantly over the past few years. For CY-2006, UFIDRO, the Prosecutorial Support Unit for the Investigation of Complex Offenses and Organized Crime, reported a total of 8,077 kilograms of cocaine HCl seized, a 66.7% increase over 2005. UFIDRO and SEDRONAR, the Secretariat of Planning for the Prevention of Drug Addiction and Fight Against Narcotrafficking, report similar increases in the seizures of coca leaf and marijuana in the first six months of 2007. The then-record of 5,399 kilograms seized in CY-2005 represented a 159% increase from the 2,087 kilograms of cocaine HCl seized in Argentina during CY-2001, and a 77% increase from the 3,048 kilograms of cocaine HCl seized during the previous year of CY-2004 alone.

#### III. Country Actions Against Drugs.

##### Policy Initiatives

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The GOA targets the trafficking, sale, and use of illegal narcotics. In its continuing efforts to better coordinate national and provincial counternarcotics efforts, and to better collect, analyze and store narcotics and precursor chemical evidence, the Ministry of Interior issued a series of resolutions to include:

Resolution 787 stipulated monthly meetings under the auspices of the Council for Internal Security made up of representatives from the federal security agencies, provinces, Customs and Internal Revenue (AFIP) and focused specifically on counternarcotics to: advise on increasing efficiency in combating serious and complex drug crimes; collect and share information; develop recommendations for coordination between federal and provincial forces; and promote recommendations for concrete action. Res. 787 also created a Scientific Advisory Committee to advise the Ministry.

Res. 788 created a Unified Registry for the Analysis of Narcotrafficking (RUAN) to help design, develop, implement and maintain a database unifying data on drug complaints, investigations and arrests.

Res. 790 instructed the Federal Police, Gendarmeria (Border Guard), Prefectura Naval (Coast Guard) and Airport Police to implement a protocol for collecting information and creating a database on the analyses of seizures of coca paste, the cocaine by-product "paco," cocaine and precursor chemicals, and other pertinent data to subsequently be registered in the RUAN (see above).

Res. 791 instructed the various drug analysis laboratories of the security forces to establish common protocols for analysis, information, storage, and data bases to be shared with the RUAN.

Res. 793 instructed federal law enforcement agencies to develop common protocols to ensure the preservation, transport and custody of seized drugs and chemicals.

Res. 794 instructed the Directorate of Criminal Intelligence (DIC) to develop specific techniques - including special training - for an undercover narcotic agent program.

Res. 795 and 796 established the formation of an interagency training unit for the investigation of serious and complex narcotrafficking and organized crimes, and creates an interchange program between federal and provincial law enforcement agencies.

As part of the 2005-2007 National Drug Plan, SEDRONAR initiated and conducted numerous training activities, seminars, and conferences related to prevention, assistance and narcotrafficking control to federal and provincial authorities

#### Law Enforcement Efforts

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The Ministry of Interior, in coordination with the Secretariat of Planning for the Prevention of Drug Addiction and Fight Against Narcotrafficking (SEDRONAR), directs federal narcotics policy. The primary federal forces involved are the Federal Police, the Gendarmeria, the National Air Police (PSA), and the Prefectura Naval (Coast Guard), which fall under the control of the Ministry of Interior, and Aduanas (Customs), which is under the Federal Internal Revenue Agency (AFIP). Provincial police forces also play an integral part in counternarcotics operations. The Argentine justice system is currently being transformed from an inquisitive system to an accusatorial one. However, due to remaining vestiges of the slower, less-efficient inquisitorial system, confidence in the legal system remained low in 2007 because of excessive delays between arrest and final judicial rulings, as well as a lack of judicial transparency. Presidential decrees placed controls on precursor and essential chemicals, requiring that all manufacturers, importers or exporters, transporters, and distributors of these chemicals be registered with SEDRONAR.

Complete federal statistics on seizures continue to be difficult to determine as two agencies, SEDRONAR and UFIDRO (Prosecutorial Support Unit for the Investigation of Complex Offenses and Organized Crime) maintain different databases. UFIDRO began collecting

seizure data from the Federal Law Enforcement Agencies and Customs in 2006. SEDRONAR, which has historically compiled the seizure databases, no longer receives information from the federal agencies but continues to compile data from provincial police forces.

Preliminary data from both UFIDRO and SEDRONAR for the first six months of 2007 show a continuing trend of increased seizures of cocaine, cocaine leaf and marijuana. In the first semester of 2007, federal and provincial law enforcement agencies seized 5,373 kilograms of cocaine, compared to a total of 8,079 kilograms for all of 2006, and 5,399 kilograms in 2005. Federal and provincial forces seized 35,205 kilograms of coca leaf in the first semester of 2007, compared to a total of 49,564 kilograms in all of 2006, and 52,928 kilograms in 2005. In the first semester of 2007, federal and provincial forces seized 49,661 kilograms of marijuana, compared to 93,544 kilograms in all of 2006, and 36,482 kilograms in 2005. Seizures of cocaine paste in the first semester of 2007 were 13.6 kilograms, compared to the annual seizures for 2006 of 39.7 kilograms, and 9.7 kilograms in 2005. For FY-2005 the DEA assisted in the seizure of 69.1 kilograms of heroin in Argentina. Seizure data from UFIDRO and SEDRONAR show a total of 50.827 kilograms of heroin seized in CY 2006.

#### Corruption

The GOA is publicly committed to fighting corruption and prosecuting those implicated in corruption investigations. It is not government policy nor are any senior GOA officials known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions. Confidence in the legal system remained low in 2007 because of excessive delays between arrest and final judicial rulings, as well as a lack of judicial transparency.

#### Agreements and Treaties

Argentina is a party to the UN Convention against Transnational Organized Crime and two of its protocols (trafficking in persons and alien smuggling), but has not yet ratified the third protocol (firearms). The United States and Argentina are parties to an extradition treaty that entered into force on June 14, 2000, and a bilateral mutual legal assistance treaty that entered into force on February 9, 1994. Both of these agreements are actively used by the United States. The GOA has bilateral narcotics cooperation agreements with many neighboring countries. Spain, the United Kingdom, Germany, Australia, France, Italy and the Netherlands provide limited training and equipment support. Argentina is a party to the 1988 UN Drug Convention. In 1990, the U.S. Customs and Border Protection signed a Customs Mutual Assistance Agreement with the government of Argentina. This agreement provides a basis for the exchange of information to prevent, investigate and redress any offense against the customs laws of the United States or Argentina.

#### Cultivation/Production

Opium Poppy Cultivation: No reporting exists that indicates opium poppy is being cultivated in Argentina.

Coca Cultivation: No reporting exists that indicates coca is being cultivated in Argentina. However, there has been increased reporting regarding small-scale base to HCl conversion labs in Argentina, with some of the labs being controlled by Colombian criminal organizations. Argentine press reporting indicates that there has been an increase in the number of small kitchen labs converting cocaine base to HCl, or even producing cocaine base. SEDRONAR reports the following number of labs seized by year: CY-2000, 8; CY-2001, 6; CY-2002, 11; CY-2003, 10; CY-2004, 20; CY-2005, 13; CY- 2006, 7 HCl labs, 1 cocaine base lab, and 2 precursor chemical labs. In the first six months of CY 2007, 6 HCl labs and 2 cocaine base labs.

Cannabis: There were no reports of any relevant cultivation of cannabis in Argentina in 2007.

## Drug Flow/Transit

### Marijuana

Marijuana is the most trafficked drug within Argentina. Almost all of the marijuana consumed in Argentina originates in Paraguay and is smuggled across the border primarily into the Argentine provinces of Misiones and Corrientes. From there it is transported south by trucks and cars along roads paralleling the Parana and Uruguay rivers to Buenos Aires. Some is transported west through the cities of Cordoba and Mendoza for local consumption, and a large portion is smuggled across the border for the Chilean market. In CY-2004 57,785 kilograms were seized. Seizures for CY-2005 decreased significantly, with approximately 36,482 kilograms seized, but increased dramatically in CY 2006 to 93,544 kilograms.

Colombian-produced heroin represents the greatest threat to the United States, transiting through Argentina directly to the U.S. smuggled aboard commercial flights, or through Mexico and across the Southwest border. CY-2003 was a record year for Argentina with over 175 kilograms seized. For FY-2004 the DEA supported the seizure of 61.4 kilograms of heroin. For FY-2005 the DEA assisted in the seizure of 69.1 kilograms of heroin in Argentina. Seizure data from UFIDRO and SEDRONAR show a total of 50.827 kilograms of heroin seized in CY 2006. DEA assisted in the seizure 9.12 kilograms in 2006 along Argentina's northern border with Bolivia. A seizure of heroin being smuggled overland was unusual and believed to be representative of an overall increase in heroin smuggling activity on the border with Bolivia. No seizures of heroin have been recorded in the first six months of 2007.

### Cocaine

After heroin, a secondary threat to the United States is the large quantity of cocaine transiting from Argentina in containerized cargo on the way to ports in Europe. Cocaine, in base and HCl form, from Bolivia, Colombia, and Peru, can be found in Argentina. Proceeds from drug smuggling ventures organized in Argentina are often brought back to the country by couriers in bulk cash shipments, and then wired to the United States for investments, although it appears that they are also being smuggled directly into the United States in the form of bulk cash for this purpose.

Colombian cocaine HCl entering Argentina is generally destined to international cocaine markets in Europe and the U.S. Cocaine HCl seizures have risen significantly over the past two years. SEDRONAR reports the following seizures: CY-2001, 2,087 kgs; CY-2002, 1,562 kgs; CY-2003, 1,918 kgs; CY2004, 3,048 kgs; and CY-2005, 5,399 kgs. In the first semester of 2007, federal and provincial law enforcement agencies seized 5,373 kilograms of cocaine, compared to a total of 8,079 kilograms for all of 2006. Federal and provincial forces seized 35,205 kilograms of coca leaf in the first semester of 2007, compared to a total of 49,564 kilograms in all of 2006, and 52,928 kilograms in 2005.

Cocaine Base ("paco"): Media and official reports indicate that cocaine base consumption in Argentina is on the increase. The Argentine Federal Police indicated in 2002 that the smoking of cocaine base (known as pasta base) referred to as paco in Argentina, lata in Uruguay, and bazuco in neighboring Brazil, was on the increase. Through consultations with a DEA Special Testing and Research Laboratory Senior Chemist, the DEA Buenos Aires office has determined that it is likely that what is reported locally as "pasta base" or "paco" consumption is simply the smoking of a crude, low-quality form of cocaine base. The favored means of smoking cocaine base is "la lata," referring to the use of an empty soda can into which the cocaine base is introduced and heated and the smoke then inhaled. It is also smoked in small hand-made pipes. In Argentina, one dose sells for a peso, or approximately 34 cents. In Salta it is possible to buy cigarettes laced with cocaine in bundles of three for \$10 pesos (approx \$3 U.S. dollars). In San Salvador de Jujuy, cocaine is also sold mixed with tobacco and sells for 4 -5 pesos (\$1.40-\$1.70).

Hallucinogenic Drugs: The abuse of hallucinogenic drugs has been

reported among high school and university students, the most prevalent being LSD. UFIDRO and SEDRONAR reported a total of 7,055 hits of LSD seized in the first semester of 2007, compared to 1,015 hits in CY-2006 and 1,537 in CY-2005.

**Ecstasy and Club Drugs:** Ecstasy continues to gain popularity among Argentine young people in the middle and upper classes with a number of ecstasy-related deaths attracting significant public attention. The drug is primarily abused in urban population centers such as Buenos Aires and in beach resort towns such as Mar del Plata. Ecstasy is sold in these cities' nightclubs, where it is often consumed together with alcohol, energizer drinks or both. It is generally smuggled into Argentina from Western Europe, where the drug is manufactured. In general, one tablet of ecstasy is sold for \$20-30 U.S. dollars. Ketamine use has also been reported. Argentine security forces seized 23,244 units of amphetamines and 5,979 units of other psycho-pharmaceuticals in the first semester of CY-2007. During CY 2006, security forces seized 23,228 units of amphetamines. During CY-2005, only 5,074 units of amphetamines were seized and 20,948 units of other psycho-pharmaceuticals.

#### Domestic Programs (Demand Reduction)

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SEDRONAR coordinates the GOA's demand reduction efforts. Argentina inaugurated its first National Drug Plan in 2005, and in 2006 initiated a number of demand reduction programs that continued in 2007.

"Quiero Ser" (I Want to Be) is a school-based program targeting youth between the ages of 10-14 that incorporates teachers, parents, federal and provincial officials.

The Drug Prevention Program in Sports provides drug prevention training for soccer coaches to enlist them in increasing awareness among youth of the dangers associated with drug usage and providing youth with the tools/strategies for saying no to drugs.

The Community Prevention Program "Prevenimos" (We Prevent) targets communities, helping them identify their needs and local resources to undertake local prevention initiatives and create local networks of public and private institutions and organizations.

The Youth Participation and Prevention Program is aimed at promoting and strengthening national networks of young people aged 18-25 focused on building awareness and catalyzing existing resources.

The Prevention Program for Vulnerable Populations sensitizes and trains federal penitentiary personnel in drug prevention theories and practices. The aim is to reduce the vulnerability of the prison population and raise awareness of the dangers associated with illicit drug use (in particular the dangers of HIV/AIDs infection).

The Workplace Drug Prevention Program promotes awareness, participation and commitment of employers and workers in workplace drug prevention programs.

#### IV. U.S. Initiatives and Programs

The U.S. Mission in Argentina seeks to reduce Argentina's role as a transit point for drug trafficking by disrupting and dismantling the major drug trafficking organizations in the region; to promote regional counter-drug cooperation by merging Argentina's counter-drug mandate with that of other Southern Cone nations; to maximize host nation drug enforcement capabilities; and to improve cooperation with host country counterparts and U.S. Government agencies.

The Embassy, principally through the U.S. Drug Enforcement Agency's (DEA) Country Office, works closely with Argentine federal and provincial law enforcement agencies, with prosecutors and judges, and with such federal entities as SEDRONAR and UFIDRO to improve coordination and communication, cooperation, training and exchanges.

DEA and Mission's Legal Attache's office are particularly focused on working with prosecutors and judges on improving and updating investigation and prosecution techniques in narcotics trafficking and other complex crimes. DEA and the State Department's International Narcotics and Law Enforcement Bureau (INL) have

supported efforts of the Northern Border Task Force (NBTF), a joint law enforcement group with federal and provincial elements operating in Argentina's northwestern provinces of Jujuy and Salta to interdict drug flow from Colombia, Peru and Bolivia. In 2007, DEA's Country Office worked with Argentine law enforcement agencies to create a new Eastern Border Task Force (EBTF), modeled after the NBTF and focused on the illicit drug smuggling activities in the triborder area with Paraguay and Brazil. With DEA support, Argentine law enforcement agencies continued to participate in Gran Chaco and Operation Seis Fronteras with counterparts in Bolivia.

Embassy ICE Attache's office participated in "Operation Andes III," a joint program sponsored by INTERPOL and the World Customs Organization (WCO) to coordinate the interdiction of precursor chemicals in South America. Participants included national police and customs agencies from Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, French Guyana, Paraguay, Peru, Uruguay and Venezuela. US Immigration and Customs Enforcement (ICE) provided advisory support for precursor shipment identification and investigative response.

#### Road Ahead

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Mission agencies, led by DEA, will: work to establish and support a new working group involving Aduanas (Customs) and Prefectura (Coast Guard) associated with maritime security to facilitate greater investigative coordination and cooperative efforts; continue supporting the NBTF and EBTF; continue supporting Gran Chaco and Operation Seis Fronteras operations; continue working with Argentine authorities to strengthen Argentina's Money Laundering/Counter Terrorism Finance Strategy and Regime, and Financial Intelligence Units (FIUs); conduct training for members of the Gendarmeria (Border Patrol) and Federal and Provincial Police involved in drug interdiction activities; and, host U.S. interagency meetings to foster the sharing of drug intelligence. Mission agencies will focus greater attention on working with Argentine agencies, and in the region, to encourage and support stronger precursor chemical controls.

#### IV. Statistical Tables (Majors Only)

#### VI. Chemical Control

Argentina has had legislation since 1996 for the control of chemical substances. Law 23.737 (modified in 2005 by Law 26.052) established the legal control regime over narcotic drugs. The modifications introduced in 2005 made needed improvements in existing controls but the new law still lacks implementing regulations that would impose the needed penalties for violations in order to make the law effective. Argentina has ratified the relevant international conventions in combating drug trafficking including the 1961 Single Convention on Narcotic Drugs, 1971 Convention on Psychotropic Substances, and the 1988 Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

SEDRONAR is the primary government agencies responsible for the control and monitoring of precursor chemicals. To date, the National Registry of Precursor Chemicals has registered 6,658 companies. In May 2007, SEDRONAR and the National Institute of Vitivinicultura (grape and wine producers) signed an agreement registering another 3,278 companies in the National Precursor Chemicals Registry. In the first seven months of 2007, the National Precursor Chemical Registry registered 1,019 new companies, reregistered 3,084, and issued 302 export authorizations and 1,349 import authorizations.

From January 2006 to September 2006, the DEA-funded Northern Border Task Force (NBTF) seized approximately 684,220 kilograms of illicit chemicals, a significant increase over the amount of illicit chemicals seized during the same periods in 2005 and 2004. Operation Seis Fronteras' chemical enforcement activities were carried out in northern Argentina in coordination with the Bolivian National Police Chemical Investigation Unit and the Brazilian Federal Police.

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